

Q&A Cash Benefits at Gaming Establishments

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Question & Answer Points

September 21, 2010

Issue: Using cash assistance benefits for gambling is expressly prohibited by state law. To ensure the integrity of the State's cash assistance program, which issues benefits through a debit-like Electronic Benefits Transfer (EBT) card, the Department is removing access to cash benefits at ATMs located in gaming establishments across the state.

Why are cash benefits provided?

The Department of Social and Health Services provides public assistance cash benefits to eligible low-income families and individuals to ensure their basic needs are met. Basic needs are defined as food, clothing, shelter, energy costs, transportation, household maintenance and operations, personal maintenance, and necessary incidentals.

How are cash benefits provided?

Like food assistance, cash benefits are provided through an EBT card, which is similar to a debit/credit card. Clients are able to access their cash benefits at Automated Teller Machines (ATM) or Point of Sale (POS) machines in the same manner as other citizens can access their banked funds.

What is the Department doing to ensure benefits are not being used inappropriately?

In these difficult budget times, it is more important than ever that the state ensure every dollar is spent appropriately. The Department is committed to program integrity and ensuring clients are using their benefits for their basic needs.

While we believe that the vast majority of clients are using their benefits appropriately, the Department is working with its EBT vendor, JP Morgan, to ask owners of gaming establishments across Washington to voluntarily "turn off" EBT access in ATMs located in those establishments. The Washington Indian Gaming Association has already notified the Department that they will voluntarily prevent the use of EBT cards at ATMs located within tribal casinos.

This week, JP Morgan will be issuing letters to all gaming establishments with instructions on how to "turn off" this access. These letters will go out before Friday, September 24.

The Department is taking this step to protect the integrity of our programs and to preserve the public's trust in our financial stewardship.

When disabling the ATMs for EBT-card use at casinos, will we also disable them at the mini-marts and gas stations on casino property?

No. Access will be removed for ATMs physically located only in gaming establishments. Low-income families will still be able to access benefits at grocery stores, restaurants, gas stations, and other establishments.

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What do we plan to do with ATMs at other establishments that promote gambling?

Licensed gaming establishments, bars, and related businesses will be included in the request to turn off their ATMs. We will not turn off access in grocery stores, supermarkets and gas stations and other business that may include lottery tickets or other gambling items.

Who will be in charge in ensuring all tribal casinos have disabled the use of EBT cards in ATMs?

The Department is working with our vendor, JP Morgan, to develop a regular monitoring process. In addition, the Washington State Gaming Commission has agreed to include this review as part of their regular monitoring.

Who's responsible for notifying the casinos and their staff about the changes in ATM use at Tribal casinos?

The vendor, JP Morgan, will be working with all of the gaming establishments to modify the ATM access for EBT cards.

How do clients know what their benefits can (and cannot) be used for?

Using cash benefits for gambling purposes is expressly forbidden under law (RCW 74.08.580 and RCW 9.46.410).

Cash benefits on EBT cards can be spent or withdrawn at stores that accept EBT cards and can be withdrawn from ATMs. State law prohibits the use of cash benefits for any gambling activities, including lottery and scratch tickets, pull tabs, punchboards, and any other games of chance.

At the time a family or individual is found eligible for cash benefits, the Department's Community Services Division staff inform the client of the appropriate use of those benefits by providing them a copy of the brochure, "Your Washington EBT Quest Card." This tells clients how to use their EBT card to access their benefits. It also tells them that state law prohibits the use of EBT benefits for gambling purposes.

CSD also asks parents who are receiving help through the state's Temporary Assistance for Needy Families (TANF) program – WorkFirst -- questions about how they are managing their money, as part of the comprehensive evaluation we do when they first apply for help. If the parent indicates a need for help with his or her budgeting and money management, staff makes referrals to resources in the community that can provide financial literacy services.

Are there any mechanisms that control where EBT benefits are used?

For Basic Food, people can use the food benefits on their EBT card at any grocery store, convenience store or discount retailer that the U.S. Department of Agriculture, Food and Nutrition Service, has approved to accept Basic Food (Food Stamp) benefits. Most stores, including major chains, accept Basic Food. Many farmers' markets also accept Basic Food benefits through the EBT card. Merchants post the EBT logo on the door or cash register.

EBT cash benefits are not currently restricted and can be accessed at ATMs.

What restrictions are there on the use of Basic Food EBT benefits?

Federal regulations govern the use of Basic Food benefits.

Basic Food benefits **can** be used to buy a recipient's household food items such as:

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- Breads and cereals
- Fruits and vegetables
- Cheese, milk and other dairy products
- Meats, fish, poultry and eggs
- Most other food items that are not prepared hot foods
- Seeds and plants that produce food for the household

Basic Food benefits **cannot** be used to buy:

- Beer, wine, liquor, cigarettes or tobacco
- Vitamins or medicine
- Pet food
- Soaps, paper products
- Household supplies
- Food that will be eaten in the store
- Hot foods

Stores accepting EBT for food purchases through the Basic Food program may never give change (cash) from the food benefits. Benefits must be used for eligible food.

What safeguards are there to prevent Fraud by clients who receive EBT benefits?

The Department learns of potential fraud or unlawful practices in a variety of ways, including:

- Calls reporting inappropriate use;
- Welfare Fraud Hotline (800-562-6906);
- Through review and verification of information provided by the client:
 - Employment Security Division Quarterly Earnings Alerts or Comparison Reports;
 - Quality Assurance Reviews;
 - EBT out-of-state report;
 - Fraud Early Detection Program financial staff investigate referrals and make findings.

When the Department receives an allegation of fraud or discovers/suspects fraud, we take action to investigate the claims. Based on the findings, we document the result, process an overpayment, and refer for prosecution as appropriate.